GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3089
ANSWERED ON:07.12.2001
EXPENDITURE ON EMPLOYEES OF PSBS
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Will the Minister of FINANCE be pleased to state:

(a) whether the expenditure on the employees in public sector banks has considerably fallen down in the current financial year;

(b) if so, the details thereof;

(c) how the cost ratio compares with the private banks; and

(d) the further steps are proposed to be taken to reduce the expenditure on employees ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a):- Reserve Bank of India (RBI) has reported that the wage bill of public sector banks did not fall during the year 2000-01.

(b):- Does not arise.

(c):- The ratio of staff expenditure (wage bill) to total expenses was 21.10% for the public sector banks, in comparison to 8.33% for private sector banks, in 2000-01.

(d):- 26 public sector banks (out of 27) had implemented VRS scheme for their staff during the year 2000-2001.The banks expect a reduction in their wage bill in the subsequent years on account of the reduction in staff due to VRS.